

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:620
ANSWERED ON:05.05.2003
PRICE REDUCTION OF ATF
UMMAREDDY VENKATESWARLU

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the price of Aviation Turbine Fuel (ATF) has been reduced recently;
- (b) if so, the steps being taken by Indian Airlines to reduce its fares accordingly;
- (c) whether Indian Airlines raises its fares whenever there is a rise in price of ATF; and
- (d) if so, the steps proposed to reduce the fare simultaneously with the reduction in price of aviation fuel?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a),(b),(c) and (d): A statement is laid on the Table of the Sabha.

STATEMENT IN REPLY TO PARTS (a),(b),(c) and (d) of LOK SABHA STARRED QUESTION NO.620 FOR 05/05/2003 REGARDING PRICE REDUCTION OF ATF

(a): The price of Aviation Turbine Fuel has been marginally reduced from an all time high of Rs.25,200 per kilolitre in March, 2003 to Rs.24,200 per kilolitre in April, 2003.

(b), (c) and (d): The price of Aviation Turbine Fuel which constitutes about 30% of the operating cost, so far as Indian Airlines domestic operations are concerned, is not the only factor for determining domestic fares. Fares in Indian Airlines are determined with reference to the overall increase in operating cost which inter-alia include Engineering Cost, Landing and Route Navigation Charges, Insurance Premium, Security related costs etc. Efforts are made to absorb the increase in the input costs to the extent possible and increase in fare is resorted to only when it is absolutely unavoidable. Indian Airlines did not increase its fares when the price of ATF was increased by 16.3% in March, 2000 and further increased by 25% in September, 2000.